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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JUDITH H. BANK, LIAM HARPUR, RUTHIE D. LYLE,
PATRICK J. O’SULLIVAN, and LIN SUN

Appeal 2015-003358
Application 13/611,469¹
Technology Center 3600

Before ANTON W. FETTING, SHEILA F. McSHANE, and
ROBERT J. SILVERMAN, *Administrative Patent Judges*.

SILVERMAN, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants appeal under 35 U.S.C. § 134(a) from the Examiner’s decision rejecting claims 1, 4, 5, 8–10 and 19. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ The Appellants identify IBM Corporation as the real party in interest. Appeal Br. 1.

ILLUSTRATIVE CLAIM

1. A method of conducting a financial transaction using near field communication, the method comprising:

determining an amount of money owed for a first commercial transaction;

receiving from each of a plurality of mobile devices, via near field communication, respective financial account information;

allocating to each respective financial account, via a processor, a respective portion of the money owed for the first commercial transaction, wherein each respective financial account is identified by the financial account information provided by a respective one of the plurality of mobile devices; and

charging, to each of the respective financial accounts, the respective allocated portion of the money owed.

REJECTIONS²

I. Claims 1, 4, 5, 8–10 and 19 are rejected under 35 U.S.C. § 101 as directed to ineligible subject matter.

II. Claims 1, 4, 5, 8–10 and 19 are rejected under 35 U.S.C. § 102(e) as anticipated by Tumminaro et al. (US 2011/0320347 A1, pub. Dec. 29, 2011) (“Tumminaro”).

FINDINGS OF FACT

The findings of fact relied upon, which are supported by a preponderance of the evidence, appear in the following Analysis.

² The rejection of claim 10 under 35 U.S.C. § 112(b) or 35 U.S.C. § 112 (pre-AIA), second paragraph (*see* Final Action 2) has been withdrawn (*see* Answer 5).

ANALYSIS

Rejection Under 35 U.S.C. § 101

1. Claims 1, 4, 5, 8–10, and 19

The Final Office Action analyzed the patent-eligibility of claims 1, 4, 5, and 8–10 according to whether they recite a process that is tied to a machine or that transforms underlying subject matter into a different state or thing. Final Action 3–6. The Answer (pages 5–7) designated a new ground of rejection under 35 U.S.C. § 101 — concerning claims 1, 4, 5, and 8–10, as well as claim 19 — applying the prevailing analytic framework set forth by the Supreme Court in *Alice Corp. Pty. Ltd. v. CLS Bank International*, 134 S. Ct. 2347, 2355 (2014). The Answer neither reprises the issue of whether claims are tied to a machine or achieve a transformation, nor does the Answer address the Appellants’ response on that issue. *See* Appeal Br. 14–16, Reply Br. 2.

According to the Examiner, claims 1, 4, 5, 8–10, and 19 “are directed to the abstract idea of a fundamental economic practice” (per *Alice*’s first step) and there are no “meaningful limitations” recited that give rise to patent eligibility (per *Alice*’s second step), as the claims amount to no more than instructions to implement the abstract idea on a computer. Answer 5–7.

Regarding *Alice*’s first step, the Appellants argue that the claims are not directed to a fundamental economic practice, as described in case law, and, in any event, the Examiner has not identified any “fundamental economic practice to which the claims are allegedly directed.” Reply Br. 4. Regarding *Alice*’s second step, the Appellants argue that the Examiner could not perform a proper analysis, having failed to identify an abstract idea; nevertheless, the Examiner incorrectly determined that the claims merely

provide instructions to implement an abstract idea on a computer — “[w]hatever the alleged abstract idea, it does not require either a plurality of mobile devices or the use of near field communication.” *Id.* at 4–5.

The Appellants argue claims 1, 4, 5, 8–10, and 19 as a group. *Id.* at 2. Claim 1 is selected for analysis herein. *See* 37 C.F.R. § 41.37(c)(1)(iv). As to the first *Alice* step, we agree with the Examiner that claim 1 is directed to a fundamental economic practice — making a joint payment. As to the second *Alice* step, the Appellants argue that the claimed “plurality of mobile devices” and “near field communication” amount to an element or combination of elements “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.” *Alice*, 134 S. Ct. at 2355 (alteration in original) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1294 (2012)). Although claim 1 restricts the joint-payment process to one that employs a “plurality of mobile devices” and “near field communication,” these do not constrain the claimed technology in the manner required by *Alice*’s second step. Indeed, “the prohibition on patenting an ineligible concept cannot be circumvented by limiting the use of an ineligible concept to a particular technological environment.” *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1332 (Fed. Cir. 2015) (citations omitted). Therefore, the Appellants’ arguments are not persuasive of error in the rejection of claim 1.

Accordingly, we sustain the rejection of claims 1, 4, 5, and 8–10 as constituting patent-ineligible subject matter. Our determinations apply to claim 19, but the Appellant has presented additional argument as to the patent eligibility of claim 19 which we address below.

2. *Claim 19*

Independent claim 19 recites, in part, “[a] computer program product . . . comprising . . . a computer-readable storage medium having stored thereon program code that, when executed, configures a processor to perform executable operations.”

The Examiner’s position is that the claim may encompass a transitory signal wave, such that the recited subject matter is non-statutory. Final Action 6–8; Answer 7–8.

According to the Appellants, the construction of the claimed “computer-readable storage medium,” in view of paragraphs 10 and 11 of the Specification, excludes a transitory signal. Appeal Br. 16–18; Reply Br. 5–6.

The Court of Appeals for the Federal Circuit has held that transitory, propagating signals are not covered by the four statutory classes of subject matter (“process, machine, manufacture, or composition of matter”) of 35 U.S.C. § 101. *In re Nuijten*, 500 F.3d 1346, 1357 (Fed. Cir. 2007). Further, the Board has “conclude[d] that those of ordinary skill in the art would understand the claim term ‘machine-readable storage medium’ would include signals *per se*” and that the respective claims must be rejected under 35 U.S.C. § 101 as covering non-statutory subject matter. *Ex parte Mewherter*, Appeal 2012-007692, 2013 WL 4477509 at *7 (PTAB 2013) (precedential) (citations omitted).

According to the Specification, “[a] computer-readable storage medium *may be, for example, but not limited to*, an electronic, magnetic, optical, electromagnetic, infrared, or semiconductor system, apparatus, or device, or any suitable combination of the foregoing” and “[i]n the context

of this document, a computer-readable storage medium *may be* any tangible medium that can contain, or store a program for use by or in connection with an instruction execution system, apparatus, or device.” Spec. ¶ 10 (emphasis added). The Specification also lists several examples of a “computer-readable storage medium.” *Id.* Yet, the Specification does not preclude the possibility that a “computer-readable storage medium” could be a transitory signal. Therefore, in view of *Mewherter* and the absence of a clear contrary statement in the Specification or in claim 19, the claim term “computer-readable storage medium” could include a transitory signal. Although the Appellants refer to various unrelated applications in which rejections under 35 U.S.C. § 101 were withdrawn (*see* Reply Br. 5–6), the Appellants have not shown why such an outcome should ensue in the instant Appeal.

Accordingly, we sustain the rejection of claim 19 under 35 U.S.C. § 101 as encompassing non-statutory subject matter.

Rejection Under 35 U.S.C. § 102(e)

The Appellants contend that independent claim 1 was rejected in error because Tumminaro does not disclose the claimed use of “near field communication.” Appeal Br. 19; Reply Br. 6–7.

The Examiner’s position is that the claimed “near field communication” is “within the scope” of communications techniques disclosed in Tumminaro. Answer 8 (citing Tumminaro ¶¶ 16–24, 72, Figs. 2, 6).

“[A] claim is anticipated if each and every limitation is found either expressly or inherently in a single prior art reference.” *King Pharms., Inc. v. Eon Labs, Inc.*, 616 F.3d 1267, 1274 (Fed. Cir. 2010) (quotation marks and

citation omitted). The claim term “near field communication” is a particular technique that is defined in the Specification as “short range wireless communication via interacting electromagnetic fields in lieu of direct radio transmissions.” Spec. ¶ 17. Even if this claimed feature were “within the scope” of the identified portions of Tumminaro, as stated in the Answer (page 8), the portions have not been shown to expressly or inherently disclose “near field communication.” Therefore, the Appellants’ argument is persuasive of error in the rejection of independent claim 1 and, for similar reasons, independent claims 10 and 19, as well as their respective dependent claims.

Accordingly, the rejection of claims 1, 4, 5, 8–10 and 19 under 35 U.S.C. § 102(e) is not sustained.

DECISION

We AFFIRM the Examiner’s decision rejecting claims 1, 4, 5, 8–10 and 19 under 35 U.S.C. § 101.

We REVERSE the Examiner’s decision rejecting claims 1, 4, 5, 8–10 and 19 under 35 U.S.C. § 102(e).

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a).

AFFIRMED